

Eligibility – Revocable Trust or Grantor Trust

Definition: A revocable or grantor trust can be modified or terminated by the grantor or the assets revert to the grantor after a specific period of time.

Trust members are: Members are usually the grantor(s) and any other first level beneficiaries of the trust.

Trustees are: The person(s) authorized by the trust to manage the trust. Trustees can be the grantor(s) and/or beneficiaries of the trust. Trustees can also be a bank or attorney.

First level beneficiaries are: Anyone the grantor designates to receive benefits either while the grantor is living or after the grantor dies.

Second level beneficiaries are: A person who receives benefits **ONLY** if the first level beneficiary is no longer living when the grantor dies. Example: Grantor states his spouse will receive benefits. If she is not living when he dies, then their two children receive benefits. The wife is a first level beneficiary and the two children are second level beneficiaries.

Tax ID Type:

- **Social security number:** The trust can use a grantor's social security number if the grantor is serving as trustee of the trust and as long as the grantor is not receiving other program benefits as an individual. A trust owned by a husband and wife who file a joint income tax return is treated as a trust owned by one person.
- **Employer Identification Number (EIN):** The trust must use an EIN if the above circumstances regarding a social security number are not met. An EIN may be obtained on line from www.irs.gov.

Eligibility Forms:

- **AD-1026, Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification (dated 10-30-14):**
 - **If an EIN is used:**
 - ❖ One form for the trust
 - ❖ One form for each affiliate with farming interests (see AD-1026 Affiliate instructions below)
 - **If a social security number is used:**
 - ❖ NO form for the trust
 - ❖ One form for each grantor of the trust
 - ❖ One form for each first level beneficiary of the trust
 - ❖ One form for each affiliate of the grantor(s) and first level beneficiaries with farming interests (see AD-1026 Affiliate instructions below)
- **CCC-941, Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information**
 - 1 CCC-941 for the trust
 - 1 CCC-941 for each member. **NOTE:** If the trust uses a grantor's social security number, no CCC-941 form is needed for that grantor as an individual.
- **CCC-901, Members Information**

Instructions for the AD-1026

Blocks 1-3 – Enter the name, tax ID (even though only the last four digits are required, it is helpful to have the full number), and enter the program year as the crop year.

Block 4 – **Affiliates:** All members of the trust are considered affiliates; however, they only need to be listed in block 4 and file their own an AD-1026 if they have separate farming interests. Affiliates

are considered as having farming interests if **his or her tax ID number is listed** as owner, operator, tenant or sharecropper on any farm or undeveloped land.

Note: Exception: A **spouse** or **minor child** of the person requesting benefits is not required to file an AD-1026 if both of the following applies:

- ❖ The person does not have a farming interest as an individual or member of a joint operation separate from the person requesting benefits and,
- ❖ The person does not receive program benefits under his or her own tax ID number.

Block 5 – Check one of these boxes if the statement applies; otherwise continue to Part B.

Instructions for the CCC-941

Block 1 – Enter the county where land is located.

Block 2 – Enter full legal name and address. This must exactly match what is on file with the Internal Revenue Service (IRS).

Block 3 – Enter the nine-digit tax ID number.

Block 4 – Enter the Program Year (fiscal year).

Block 5 – Check appropriate box.

Block 6 – Sign as indicated in **Signature Authority** below.

Block 7 – Enter title/relationship to the organization.

Block 8 – Enter the date.

Instructions for the CCC-901

Blocks 1 & 2 – Enter the county and state where the land is located.

Block 3 – Enter the year for which you are applying.

Part A – Enter full legal name and full tax ID number.

- #1-5 – Enter names, tax ID numbers (even though only the last four digits are required, it is helpful to have the full number), addresses, percent shares, and whether or not members have signature authority for the trust for each member.

Part B, C, D – List Embedded Entities, if any. Embedded Entities are any legal business type other than an Individual.

- Example – If a member in Part A is “John Doe Revocable Trust,” they are considered an Embedded Entity so their information would be entered in Part B. If a member of the “John Doe Revocable Trust” is an embedded entity, they would enter their information in Part C, and so on.

Part E – Enter the required information for any member that is a minor.

Part F – Certification

- #1 – Sign as indicated in **Signature Authority** below.
- #2 – Enter title.
- #3 – Date.

Signature Authority: The signature on any NRCS/FSA document for an individual authorized to sign for the trust shall consist of both of the following:

- An indicator, such as “by” or “for,” illustrating that the individual is signing in a representative capacity.
- And one of the following:
 - Individual’s name, and title and/or name of the trust.